Settlement of Insurance Claims

2064. SHRI VIREN J. SHAH:
SHRI PRAMOD MAHAJAN:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have reviewed the functioning of GIC and its Subsidiary Insurance Companies in the country and if so, what are the details in this regard;

(b) whether it is a fact that in certain branches of Insurance companies, the claims are settled on percentage basis of the settled amount payable by the claimants to the surveyors and officials of the insurance companies etc;

(c) whether any such cases in any Insurance Company have come to Government's notice during the last three years; if so, what are the details of such cases;

(d) what action Government have taken in each cases; and

(e) what steps Government have taken to check corruption in the settlement of insurance claim and to expedite speedy disposal of insurance claims?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) From time to time review of the functioning of GIC and its subsidiary companies is conducted by their respective Boards, Insurance Division, Special meetings convened by the Finance Minister and by various Parliamentary Committees viz. COPU, Estimates Committee, Committee on Subordinate Legislation, Committee on Welfare of SCs/STs etc.

(b) Government do not have specific information on this.

(c) and (d) GIC reports that during the last three years total of 43 cases have come to their notice out of which in 34 cases investigations have been completed and in 17 cases penalty has been imposed. The Vigilance Department of the companies, Insurance Division, Central Vigilance Commission, CBI etc. receive complaints regarding corruption by the officials of the insurance companies from time to time. These complaints/ information are immediately investigated by appropriate authorities and disciplinary proceedings are initiated by the companies against such persons.

(e) The Companies have been directed to take necessary measures to speed up settlement of claims. Each Insurance Company has a vigilance Department which checks corruption in the settlement of insurance claims. They are also asked to conduct surprise inspections in selected branches. Action Plan on anti-corruption is also implemented.

Closure of Gramin Banks

2065. DR. BAPU KALDATE: Will the Minister of FINANCE be pleased to state:

(a) what is the existing number of Gramin banks in the country, State-wise;

(b) what is the number of Gramin banks closed down in 1993, as compared to the banks closed down in 1992;

(c) whether Government contemplate to close down the remaining Gramin banks; and

(d) if so, what are the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (DR. ABRAR AHMED): (a) There are 196 regional Rural Banks (RRBs) functioning in the country. State-wise number of RRBs is given in the enclosed statement. (*See* below)

(b) No Regional Rural Bank has been closed down either in 1992 or 1993.

(c) and (d) There is no proposal at present to close down any Regional Rural Bank.